

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NATIONAL-SOUTHWIRE ALUMINUM COMPANY))	
V.)	CASE NO. 9437
BIG RIVERS ELECTRIC CORPORATION)	

O R D E R

On August 7, 1986, Big Rivers Electric Corporation ("Big Rivers") filed an application seeking authority to increase its electric rates, Case No. 9613, and a motion to consolidate it with the complaint case pending against it by National-Southwire Aluminum Co. ("NSA"), Case No. 9437. Big Rivers supported its motion to consolidate on the grounds that the two cases involve common questions of law and fact on the issues of: (1) fair, just and reasonable electric rates to be charged by Big Rivers; (2) the appropriate level of off-system sales to be reflected in rates; and (3) the need for the D.B. Wilson generating plant ("Wilson"). Big Rivers further alleged that consolidation will conserve time, energy and resources of all parties and the Commission.

On August 11, 1986, responses in opposition to consolidation were filed by NSA, Alcan Aluminum Corporation and the Attorney General's Office. The replies argue that the main issues in Case No. 9437 and 9613 are dissimilar: a reduction of existing rates due to Big Rivers' excess generating capacity without Wilson in the former case and Big Rivers' need for Wilson in the latter.

Opponents argue that any delay will be prejudicial, that Big Rivers' rate case was filed for purposes of delay and that the filing is incomplete by failing to include the referenced debt restructuring plan.

On August 12, 1986, Big Rivers filed a reply in support of its motion to consolidate, alleging that to proceed with NSA's complaint would result in prejudice to Big Rivers' rate case, the need for Wilson and the debt restructure plan.

Based on the motion and the respective arguments of the parties, the Commission is of the opinion and hereby finds that both NSA's complaint and Big Rivers' rate filing present the issues of the amount of generating capacity needed by Big Rivers to meet its system demand, the amount, if any, of excess generating capacity and the appropriate level of off-system sales to be reflected in rates.

The Commission fully recognizes the need and importance to NSA and all other ratepayers for an expedient resolution of the complaint seeking a reduction in electric rates. However, the issues in the complaint case cannot be adjudicated with finality when the issues of Wilson and debt restructure are pending in a concurrent rate proceeding. Big Rivers' rate application presents the most appropriate case for the Commission to investigate all pending issues and determine whether Big Rivers will be able to resolve its financial problems in a fair and equitable manner.

IT IS THEREFORE ORDERED that Big Rivers' motion to consolidate this case with its pending rate application, Case No. 9613, be and it hereby is granted.

Done at Frankfort, Kentucky, this 14th day of August, 1986.

PUBLIC SERVICE COMMISSION

Richard D. Hemmings
Chairman

W. H. H. H.
Vice Chairman

James H. Wellman
Commissioner

ATTEST:

Forest M. Ellogg
Executive Director